GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1839
ANSWERED ON:24.08.2007
LOAN TO MINORITIES
Chandrappan Shri C.K.;Das Gupta Shri Gurudas;Paraste Shri Dalpat Singh;Singh Shri Chandra Bhushan

Will the Minister of FINANCE be pleased to state:

(a) whether the level of bank lending to minorities is still under 10 per cent of the total Priority Sector Credit;

(b) if so, the details thereof for the years 2005-06 and 2006-07; and

(c) the measures being taken to raise the level of lending to minorities to a minimum level of 15 percent?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a)&(b): Yes , Sir . The share of Minority Communities in Priority Sector Advances given by the Scheduled Commercial Banks during the years 2005-06 and 2006-07 is as follows:

(Rs. in crores)

Year	Priority Sector Advances (PS) (B)	Share of Minority Communities in Priority Sector (in all districts) Amt.(A)	% share to PS (A/B)
March 2006	516334.78	45490.60	8.81
# September 2006 (latest available)	556967.20	51669.51	9.28

(c): Government has decided that efforts be made for stepping up Priority Sector Lending to minorities from the present level of 9% to 15% over a period of three years.

Pursuant to the PM`s new 15-Point Programmes for the Welfare of Minority Communities, Reserve Bank of India (RBI), has issued a revised circular dated 18.05.2007 to the Scheduled Commercial Banks for including minority communities under the heading `Weaker Section` under Priority Sector Lending.

In their consolidated Master Circular on lending to minorities dated 5.07.2007, the RBI has also advised the banks to take care to ensure that minority communities secure in a fair and adequate measure, the benefits flowing from various Government sponsored special programmes. The master circular inter-alia envisages creating a separate cell in each bank to ensure smooth flow of credit to minority communities.